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FISCAL IMPACT STATEMENT

LS 6766
BILL NUMBER: SB 426

NOTE PREPARED: Dec 26, 2002
BILL AMENDED:

SUBJECT: Proof of Motor Vehicle Insurance.

FIRST AUTHOR: Sen. Antich
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: <u>X</u> GENERAL
                        DEDICATED
                        FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that certain motor vehicles, as proof of financial responsibility, must bear a sticker furnished by an insurer that issues a motor vehicle policy. It specifies the information that must be on the sticker. The bill also provides for a charge of not more than $1 for each sticker for each motor vehicle covered by the policy.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The bill would require the Bureau of Motor Vehicles (BMV) to issue proof of financial responsibility stickers for individuals who provide a bond executed with respect to the vehicle under IC 9-25-4-9, deposited funds with the Treasurer of State under IC 9-25-4-10, or been issued a certificate of self-insurance under IC 9-25-4-11. The administrative costs associated with this requirement are expected to be minimal given the current number of individuals that utilize one of these three options. The State Treasurer indicates there are currently no funds deposited as proof of financial responsibility and that 15 certificates of self-insurance are on record. The cost of issuing window stickers to these 15 individuals is expected to be minimal, and the BMV should be able to absorb the cost given their current budget and resources.

Explanation of State Revenues: The bill provides for a Class C infraction for registering or operating a motor vehicle without a proof of financial responsibility sticker or for having a sticker containing false information. Although there are no data available to indicate how many people may be found guilty of this crime, in 2002, there were 3,347 citations for no insurance. Of these citations, 3,244 people were found guilty.

If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is $500, which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of $70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures: This bill contains provisions for private insurers to charge a fee of $1 for each sticker issued. Local governments will be impacted to the extent that they purchase private vehicle insurance.

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the $70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A $3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A $2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Bureau of Motor Vehicles, *Drivers License Report*, October 1, 2002.

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